

Debtor(s).

Location: United States Bankruptcy Court, Courtroom 5A, 411 West Fourth Street, Santa Ana, CA 92701**

Last date to file objections: 06/02/2022

Description of property to be sold: Miscellaneous Computer/Office Equipment, Furniture and Supplies, 2017 Chevy Express Cargo Van and Laster Engraving Machine

Terms and conditions of sale: See attached Sale Motion

Proposed sale price: Total consideration valued at \$26,366.00 - see attached Sale Motion

Overbid procedure (if any): Trustee to sell the Assets to Donna Beck, subject to overbids described in the attached
Sale Motion

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

6/16/2022 at 10:30 am

United States Bankruptcy Court

411 West Fourth Street, Courtroom 5A**

Santa Ana, CA 92701

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Ryan D. O'Dea

Shulman Bastian Friedman & Bui LLP

100 Spectrum Center Drive, Suite 600

Irvine, California 92618

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Email: rodea@shulmanbastian.com

Date: 05/24/2022

**Because of the COVID-19 pandemic, the Court will conduct the hearing using ZoomGov audio and video technology. Information on how to participate in the hearing using ZoomGov is provided on the Supplemental Notice of Hearing

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Leonard M. Shulman – Bar No. 126349 Ryan D. O’Dea – Bar No. 273478 SHULMAN BASTIAN FRIEDMAN & BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shulmanbastian.com rodea@shulmanbastian.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Richard A. Marshack, Chapter 7 Trustee</p>		<p>FOR COURT USE ONLY</p>	
<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION</p>			
<p>In re:</p> <p>BECK & CHASE ENTERPRISES, INC.,</p>		<p>CASE NO.: 8:20-bk-12864-ES CHAPTER: 7</p> <p>NOTICE OF MOTION FOR:</p> <p>Chapter 7 Trustee's Motion for Order Approving the Sale of Personal Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Subject to Overbids, Combined With Notice of Bidding Procedures</p> <p>(Specify name of Motion)</p> <p>DATE: 06/16/2022 TIME: 10:30 am COURTROOM: Courtroom 5A ** PLACE: U.S. Bankruptcy Court 411 West Fourth Street Santa Ana, CA 92701</p>	
<p>Debtor(s).</p>			

1. TO (*specify name*): Debtor, Debtor's counsel, United States Trustee, all creditors and other parties in interest
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

** The Court will conduct the hearing using ZoomGov audio and video technology. Information on how to participate in the hearing using ZoomGov is provided on the Supplemental Notice of Hearing

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 05/24/2022

SHULMAN BASTIAN FRIEDMAN & BUI LLP
Printed name of law firm

/s/ Ryan D. O'Dea
Signature

Ryan D. O'Dea
Printed name of attorney

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Leonard M. Shulman – Bar No. 126349 Ryan D. O'Dea – Bar No. 273478 SHULMAN BASTIAN FRIEDMAN & BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shulmanbastian.com rodea@shulmanbastian.com</p> <p><input checked="" type="checkbox"/> <i>Attorney for Movant</i> <input type="checkbox"/> <i>Movant appearing without an attorney</i></p>	<p>FOR COURT USE ONLY</p>
<p align="center">UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION</p>	
<p>In re: BECK & CHASE ENTERPRISES, INC.,</p> <p align="center">Debtor(s)</p>	<p>CASE NO.: 8:20-bk-12864-ES CHAPTER: 7</p> <p align="center">SUPPLEMENTAL NOTICE OF HEARING TO BE HELD REMOTELY USING ZOOMGOV AUDIO AND VIDEO</p> <p>HEARING DATE: June 16, 2022 HEARING TIME: 10:30 a.m.</p>
<p>Movant:</p>	

1. The Movant has filed the following written notice or other pleading ("Notice") advising of a hearing to be held in the above-captioned case, on the date and time indicated above, before the Honorable Erithe A. Smith, United States Bankruptcy Judge (*insert name of pleading and, if available, docket number*):

Chapter 7 Trustee's Motion for Order Approving the Sale of Personal Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized

2. **Please be advised that because of the COVID-19 pandemic, the Court will conduct the hearing using ZoomGov audio and video technology.** Information on how to participate in the hearing using ZoomGov is provided on the following page of this notice.

3. Hearing participants and members of the public may participate in and/or observe the hearing using ZoomGov, free of charge.
4. Individuals may connect by ZoomGov audio and video using a personal computer (equipped with camera, microphone and speaker), or a handheld mobile device with an integrated camera, microphone and speaker (such as an iPhone, iPad, Android phone or Android tablet). The connection can be initiated by entering the "Meeting URL" into a web browser on any of these devices, provided the device is connected to the Internet. Individuals connecting in this manner will be prompted for the Meeting ID and Password shown below.
5. Individuals also may connect to the hearing by telephone only, using the telephone number provided below. Individuals connecting in this manner also will be prompted for the Meeting ID and Password.
6. Neither a Zoom nor a ZoomGov account is necessary to participate in or observe the hearing, and no pre-registration is required.
7. The audio portion of the hearing will be recorded electronically by the Court and constitute its official record.
8. All persons are strictly prohibited from making any other recording of court proceedings, whether by video, audio, "screenshot," or otherwise. Violation of this prohibition may result in the imposition of monetary and non-monetary sanctions.
9. The following is the unique ZoomGov connection information for the above-referenced hearing:

Meeting URL: <https://cacb.zoomgov.com/j/1607010214>

Meeting ID: 160 701 0214

Password: 321442

Telephone: 1 (669) 254 5252 or 1 (646) 828 7666

10. More information on using ZoomGov to participate in this hearing is available on the Court's website at the following web address: <https://www.cacb.uscourts.gov/news/zoom-video-hearing-guide-and-training-participants>

Date: May 24, 2022

SHULMAN BASTIAN FRIEDMAN & BUI LLP

Printed name of law firm (if applicable)

Ryan D. O'Dea

Printed name of individual Movant or attorney for Movant

Leonard M. Shulman – Bar No. 126349
Ryan D. O’Dea – Bar No. 273478
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Attorneys for Richard A. Marshack,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re
BECK & CHASE ENTERPRISES, INC.,
Debtor.

Case No. 8:20-bk-12864-ES

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION FOR
ORDER APPROVING THE SALE OF
PERSONAL PROPERTY OF THE ESTATE
FREE AND CLEAR OF LIENS PURSUANT
TO BANKRUPTCY CODE §§ 363(b)(1)
AND (f), COMBINED WITH NOTICE OF
BIDDING PROCEDURES AND REQUEST
FOR APPROVAL OF THE BIDDING
PROCEDURES UTILIZED; MEMORANDUM
OF POINTS AND AUTHORITIES AND
DECLARATION OF RICHARD A.
MARSHACK IN SUPPORT**

**[Miscellaneous Computer/Office Equipment,
Furniture and Supplies, 2017 Chevy Express
Cargo Van and Laser Engraving Machine]**

Hearing Date:

Date: June 16, 2022

Time: 10:30 am

Place: Courtroom 5A**

United States Bankruptcy Court

411 West Fourth Street

Santa Ana, CA 92701

****Because of the COVID-19 pandemic, the
Court will conduct the hearing using ZoomGov
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1 **TO THE HONORABLE ERITHE A. SMITH, UNITED STATE BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR AND ALL**
3 **CREDITORS AND OTHER INTERESTED PARTIES AND THEIR COUNSEL OF**
4 **RECORD:**

5 Richard A. Marshack ("Trustee"), the duly appointed, qualified and acting Chapter 7 trustee
6 for bankruptcy estate ("Estate") of Beck & Chase Enterprises, Inc., ("Debtor"), brings this Chapter
7 7 Trustee's Motion for Order Approving the Sale of Personal Property of the Estate Free and Clear
8 of Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Combined With Notice of Bidding
9 Procedures and Request for Approval of the Bidding Procedures Utilized ("Sale Motion") and
10 respectfully represents as follows:

11 **I. SUMMARY OF ARGUMENT**

12 The Trustee has received an offer from Debtor's insider [sole stockholder and president],
13 Donna Beck ("Buyer" or "Ms. Beck"), to purchase Debtor's Personal Property¹ formerly located at
14 the Debtor's Florida Lease Location² for total consideration valued at \$26,366.00 consisting of the
15 following: (i) Buyer's cash deposit of \$3,421.00, (ii) Buyer's waiver of her Administrative Claims
16 totaling \$12,937.00³ (described below), and (iii) payment of the remaining debt owed Wells Fargo⁴
17 on the Cargo Van⁵ of \$9,920.00. A true and correct copy of the Asset Purchase Agreement
18 ("Purchase Agreement") is attached as **Exhibit 1** to the Declaration of Richard A. Marshack
19 ("Marshack Declaration"). A list of the Personal Property is attached to the Purchase Agreement as
20 Exhibit A. The sale is subject to the Bidding Procedures set forth below. Subject to Court approval

21 _____
22 ¹ The personal property consists of miscellaneous computer/office equipment, furniture and supplies, the 2017 Cargo
Van and the Debtor's laser engraving machine (collectively the "Personal Property")

23 ² Debtor's former leased business premises located at 215 Pineda Street, Suite 185-189, Longwood, Florida 32750
24 ("Lease Location"). The Lease Location was leased from AIC Longwood LLC whose property manager is The Bywater
Company (collectively the "Landlord").

25 ³ Amount is as of May 25, 2022. Until the sale closes, Buyer asserts this amount will increase monthly by \$611.00 on
26 account of monthly payments of (i) \$436.00 related to the Cargo Van debt service and (ii) \$175 for storage costs.

27 ⁴ Wells Fargo Bank dba Wells Fargo Auto (collectively "Wells Fargo").

28 ⁵ Debtor's 2017 Chevy Express Cargo Van [VIN 1GCWGAFF1H1188461] ("Cargo Van").

1 of the Purchase Agreement, in the event Buyer is not the successful bidder, the Buyer Administrative
2 Claims in the amount of \$12,937.00⁶ will be allowed pursuant to 11 U.S.C. § 503, and the Trustee
3 will pay the allowed amount from the proceeds received from the successful bidder, without further
4 order of the Court.

5 As part of the sale transaction, Buyer has also agreed to pay the lien of Wells Fargo against
6 the Cargo Van that is included in the sale. The Trustee believes that no other assets to be sold are
7 encumbered by liens.⁷ Based on this, the sale of the Personal Property will be free and clear of liens
8 pursuant to Bankruptcy Code §§ 363(b)(1) and (f) with liens not resolved through the sale, to attach
9 to the proceeds of the sale pending agreement with the valid secured creditors or further Court order.

10 The Trustee has not yet hired accountants to fully evaluate any adverse tax consequences of
11 the sale but at this point, expects that any tax liability on the sale will be minimal, if any.

12 It is difficult at this point to determine the percentage of distribution to unsecured creditors
13 given that the principal assets of the Estate consist of litigation claims, and so the total amount to be
14 recovered in this case is unknown. However, the alternative is much worse, i.e. the Trustee would
15 lose this favorable business opportunity. If the Sale Motion is not approved, the Estate will not
16 receive current the sale benefits and may incur costs associated with moving the Personal Property
17 currently stored by Buyer as well as costs to store and pay for insurance until the items can be sold.
18 Furthermore, if the Sale Motion is not approved, the Estate may have difficulty finding another
19 buyer and may have to abandon the Personal Property as being burdensome (the costs to move the
20 Personal Property currently stored by Buyer and pay for their storage at a new location and pay for
21 insurance until they could be sold would likely outweigh any sale benefit), which would result in no
22 benefit for the Estate. The Trustee does not want to lose this beneficial business opportunity. Thus,
23 the Trustee has made a business decision that it is in the best interest of the creditors of the Estate
24 that this Sale Motion be approved.

25
26 ⁶ Amount is as of May 25, 2022. Until the sale closes, Buyer asserts this amount will increase monthly by \$611.00 on
account of monthly payments of (i) \$436.00 related to the Cargo Van debt service and (ii) \$175 for storage costs.

27 ⁷ The Trustee believes that American Business Forms, Inc. ("ABF") holds a lien against the Debtor's accounts
28 receivable, however no accounts receivable are included in the sale.

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2 **II. CASE COMMENCEMENT AND CLAIMS**

3 Debtor filed a voluntary petition under Chapter 11 Subchapter V of the Bankruptcy Code on
4 October 13, 2020. On October 14, 2020, a Notice of Appointment of Trustee and Acceptance of
5 Subchapter V Trustee was filed [docket 11], appointing Robert Goe as the Subchapter V Trustee.
6 On October 25, 2021, the Court entered its Order Denying Confirmation of Third Amended Chapter
7 11 Plan and Converting Case to Case Under Chapter 7 [docket 111]. On October 26, 2021, a Notice
8 of Appointment of Trustee and Fixing of Bond; Acceptance of Appointment as Trustee was filed
9 [docket 115], appointing Richard A. Marshack as the Chapter 7 Trustee.

10 The deadline to file proofs of claims was February 7, 2022. The Court's claims register
11 indicates that nine claims have been filed, consisting of the following: Claim 1 filed by Wells Fargo
12 for \$16,769.66 (secured by lien against the Cargo Van valued by Debtor on its Schedule A/B at
13 \$18,000.00); Claim 2 filed by ABF in the amount of \$556,158.65 (secured by a UCC-1 lien against
14 the Debtor's accounts receivable); Claim 4 filed by the California Department of Tax and Fee
15 Administration as an administrative claim of \$49,873.00, Claim 9 filed by the California Franchise
16 Tax Board as an administrative claim of \$800.00, four priority unsecured claims totaling
17 \$24,682.14, non-priority general unsecured claims totaling \$1,655,691.10⁸.

18 **III. THE PERSONAL PROPERTY TO BE SOLD**

19 Attached as **Exhibit 2** to the Marshack Declaration are true and correct copies of Debtor's
20 Schedules A/B and D. Schedule A/B [docket 2] reflects personal property assets including
21 (i) \$153,948.00 in work in process inventory, (ii) office computers, furniture and equipment of
22 \$7,000.00, (iii) the Cargo Van valued at \$18,000.00, and machinery/equipment including a laser
23 engraving machine valued at \$2,500.00. Debtor's Schedule D lists the liens of (i) ABF impacting
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27 ⁸ Claim 5 of Bartels Corporation fkn The Calvert Company, Inc, asserting a nonpriority claim of \$1,429,191.10, Claim
28 5 of Donna Beck (Buyer) which includes priority claims of \$12,805.64 and a general unsecured claim of \$226,500.00,
Claim 6 of William Thomas Shinker asserting a priority claim of \$3,836.34, Claim 7 of Shannon Marie Shorter asserting
a priority claim of \$760.00, and Claim 8 of Shannon Marie Touchton asserting a priority claim of \$7,280.16

1 Debtor's accounts receivable (which are not included in the sale) and (ii) Wells Fargo impacting the
2 Cargo Van (included in the sale).

3 The Trustee is advised that (i) during the Chapter 11, much of the work in process inventory
4 was depleted, and (ii) the office furniture/equipment, Cargo Van and laser engraving machine have
5 all declined in value during the last year since the Schedule A/B was filed.

6 At the time this case was converted to Chapter 7, the Personal Property was located at the
7 Lease Location of 215 Pineda Street, Suite 185-189, Longwood, Florida, 32750.

8 Buyer is Debtor's sole shareholder and officer of Debtor. After conversion of the case to
9 Chapter 7, Buyer has taken actions to preserve assets of the Estate as follows:

- 10 • Buyer used her personal funds to pay Florida State sales taxes in the amount of
11 \$6,506.00 (averting a substantial financial penalty to the Estate for a late filing and
12 payment) ("Tax Payment Administrative Claim");
- 13 • As of May 25, 2022, Buyer used her personal funds to pay for repairs, vehicle
14 registration and debt service on the Cargo Van in the total amount of \$3,290.00
15 ("Cargo Van Administrative Claim"). Until the sale of the Personal Property closes,
16 Buyer asserts that the Cargo Van Administrative Claim will increase monthly by
17 \$436.00 on account payments she will be making on the Wells Fargo loan secured
18 by the Cargo Van.
- 19 • As of May 25, 2022, Buyer used her personal funds in total amount of \$3,141.00 to
20 remove the Debtor's personal property from the Lease Location during the first week
21 in January 2022, store the Personal Property since then, and leave the Lease Location
22 "broom swept" so that the Trustee/Estate could negotiate a release of future
23 administrative and non-administrative rent claims with the Debtor's Landlord
24 ("Clean-Up Administrative Claim"). Until the sale of the Personal Property closes,
25 Buyer asserts that the Clean-Up Administrative Claim will increase monthly by \$175
26 on account of storage costs she will be paying.
- 27 • The Tax Payment Administrative Claim, Cargo Van Administrative Claim and the
28 Clean-Up Administrative Claim (collectively the "Buyer Administrative Claims")
total \$12,937.00 as of May 25, 2022, which amount will increase monthly by \$611.00
on account of monthly payments of (i) \$436.00 related to the Cargo Van debt service

1 and (ii) \$175 for storage costs. Attached as Exhibit B to the Purchase Agreement is
2 an itemized statement of the Buyer Administrative Claims.

- 3 • The Cargo Van is encumbered by a lien in favor of Wells Fargo as referenced by
4 Claim 1-1 filed by Wells Fargo on October 22, 2020 in the amount of \$16,769.66.
5 Buyer is a guarantor on the Debtor's loan owed to Wells Fargo secured by the Cargo
6 Van. As a result of continued payments by Buyer, the balance owed Wells Fargo on
7 the Cargo Van loan has been reduced to approximately \$9,920.00.

8 No order has been entered for allowance of the Buyer Administrative Claims. Buyer has
9 advised the Trustee that she will apply for and seek allowance of Buyer Administrative Claims
10 pursuant to 11 U.S.C. § 503.

11 The Trustee has received an offer from Buyer to purchase the Personal Property for total
12 consideration valued at \$26,366.00 consisting of the following: (i) Buyer's cash deposit of
13 \$3,421.00, (ii) Buyer's waiver of her Administrative Claims totaling \$12,937.00 as of May 25, 2022,
14 and (iii) payment of the remaining debt owed Wells Fargo on the Cargo Van of \$9,920.00. A true
15 and correct copy of the Purchase Agreement is attached as **Exhibit 1** to the Marshack Declaration.

16 Except for some items owned by a third party (Southwest Regional Counsel) and not the
17 Debtor, a list of the Personal Property to be sold is attached as Exhibit A to the Purchase Agreement.
18 Buyer has advised that some of the items formerly located at the Lease Location were discarded
19 including left over inventory such as imprinted items that had been ordered by customers for events
20 that were canceled.

21 Buyer's offer is the only offer the Trustee has received for the Personal Property.

22 **A. Sale Information in Compliance with Local Bankruptcy Rule 6004-1(c)(3)**

23 The following chart provides information on the sale in compliance with Local Bankruptcy
24 Rule ("LBR") 6004-1(c)(3):
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LBR 6004-1(c)(3) Requirement	Information
<p>LBR 6004-1(c)(3)(A) Date, Time, and Place of hearing on the proposed sale:</p>	<p>Hearing Date and Time: 6/16/2022 at 10:30 a.m. Hearing Place: U.S. Bankruptcy Court, Courtroom 5A**, 411 West Fourth Street, Santa Ana, CA 92701</p> <p>**Because of the COVID-19 pandemic, the Court will conduct the hearing using ZoomGov audio and video technology. Information on how to participate in the hearing using ZoomGov is provided on the Supplemental Notice of Hearing</p>
<p>LBR 6004-1(c)(3)(B) Name and address of proposed buyer:</p>	<p>Buyer: Donna Beck 178 Tollgate Trail, Longwood FL 32750</p>
<p>LBR 6004-1(c)(3)(C) Description of the property to be sold:</p>	<p>Miscellaneous Computer/Office Equipment, Furniture and Supplies, 2017 Chevy Express Cargo Van and Laser Engraving Machine.</p>
<p>LBR 6004-1(c)(3)(D) Terms and conditions of the proposed sale, including the price and all contingencies:</p>	<p>The Purchase Agreement is attached as Exhibit 1 to the Marshack Declaration. Buyer has offered consideration valued at \$26,366.00 consisting of the following: (i) Buyer's cash deposit of \$3,421.00, (ii) Buyer's waiver of her Administrative Claims totaling \$12,937.00 (as of May 25, 2022), and (iii) payment of the remaining debt owed Wells Fargo on the Cargo Van of \$9,920.00, subject to the Bidding Procedures set forth below.</p> <p>Buyer is purchasing the Personal Property "AS IS" without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Personal Property items or the quality of the title thereto, or any other matters relating to the Personal Property.</p> <p>Subject to Court approval of the Purchase Agreement, in the event Buyer is not the successful bidder, the Buyer Administrative Claims in the amount of \$12,937.00⁹ will be allowed pursuant to 11 U.S.C. § 503, and the Trustee will pay the allowed amount from the proceeds received from the successful bidder, without further order of the Court.</p> <p>Buyer acknowledges and has agreed that the Trustee on behalf of the Estate may recover any refund due the Estate on account of insurance premiums paid by the Estate related to the Cargo Van. In the event Buyer receives the insurance premium refund, Buyer shall immediately turnover the refund to the Trustee.</p>

⁹ Amount is as of May 25, 2022. Buyer asserts that this amount will increase monthly by \$611.00 on account of monthly payments of (i) \$436.00 related to the Cargo Van debt service and (ii) \$175 for storage costs.

LBR 6004-1(c)(3) Requirement	Information
<p>LBR 6004-1(c)(3)(E) Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:</p>	<p>No liens will be paid through the sale other than the agreement of Buyer to pay Wells Fargo on account of its lien against the Cargo Van. To the extent there are disputed unresolved liens, such unresolved liens, if any, will attach to the proceeds of the sale in the same validity and priority as prior to the sale, pending agreement with the lienholder or further Court order.</p>
<p>LBR 6004-1(c)(3)(F) Whether the proposed sale is subject to higher and better bids:</p>	<p>The sale of the Personal Property is subject to the Bidding Procedures set forth below.</p>
<p>LBR 6004-1(c)(3)(G) Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:</p>	<ul style="list-style-type: none"> • Total consideration valued at \$26,366.00 consisting of the following: (i) Buyer's cash deposit of \$3,421.00, (ii) Buyer's waiver of her Administrative Claims totaling \$12,937.00 as of May 25, 2022, and (iii) payment of the remaining debt owed Wells Fargo on the Cargo Van of \$9,920.00. • Buyer will pay the outstanding lien against the Cargo Van owed to Wells Fargo and indemnify and hold the Trustee and the Estate harmless from any and all liability associated with the Wells Fargo lien against the Cargo Van. • Buyer acknowledges and has agreed that the Trustee on behalf of the Estate may recover any refund due the Estate on account of insurance premiums paid by the Estate related to the Cargo Van. In the event Buyer receives the insurance premium refund, Buyer shall immediately turnover the refund to the Trustee. • Subject to Court approval of the Purchase Agreement, in the event Buyer is not the successful bidder, the Buyer Administrative Claims in the amount of \$12,937.00¹⁰ will be allowed pursuant to 11 U.S.C. § 503, and the Trustee will pay the allowed amount from the proceeds received from the successful bidder, without further order of the Court. • There are no commissions, fees and/or others costs of sale to be paid in association with the sale transaction.

¹⁰ Amount is as of May 25, 2022. Buyer asserts that this amount will increase monthly by \$611.00 on account of monthly payments of (i) \$436.00 related to the Cargo Van debt service and (ii) \$175 for storage costs.

LBR 6004-1(c)(3) Requirement	Information
LBR 6004-1(c)(3)(H) If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid:	No broker, auctioneer or sales agent commissions to be paid.
LBR 6004-1(c)(3)(I) A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:	The Trustee has not yet hired accountants to fully evaluate any adverse tax consequences of the sale but at this point, expects that any tax liability on the sale will be minimal, if any.
LBR 6004-1(c)(3)(J) Date which objection must be filed and served:	Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by 6/2/2022).

IV. RELIEF REQUESTED

A. The Sale of the Personal Property

In order to obtain the best price for the Personal Property, the Trustee seeks a Court order authorizing the Trustee to sell the Personal Property to Buyer (or the successful bidder), on an as-is basis pursuant to the terms of the Purchase Agreement attached as **Exhibit 1** to the Marshack Declaration, or an amount as increased by successful overbid. The sale shall be without any warranties, representations or contingencies, free and clear of liens, claims and interests of third parties pursuant to Bankruptcy Code §§ 363(b)(1) and (f), with any unresolved liens, claims and interests to attach to the sale proceeds pending agreement with the secured parties or further Court order. Buyer has agreed that the Trustee on behalf of the Estate may recover any refund due the Estate on account of insurance premiums paid by the Estate related to the Cargo Van and in the event Buyer receives the insurance premium refund, Buyer shall immediately turnover the refund to the Trustee. In the event Buyer is the successful bidder, the Buyer Administrative Claims will be waived. Subject to Court approval of the Purchase Agreement, in the event Buyer is not the successful bidder, the Buyer Administrative Claims in the amount of \$12,937.00¹¹ will be allowed

¹¹ Amount is as of May 25, 2022. Buyer asserts that this amount will increase monthly by \$611.00 on account of monthly payments of (i) \$436.00 related to the Cargo Van debt service and (ii) \$175 for storage costs.

pursuant to 11 U.S.C. § 503, and the Trustee will pay the allowed amount from the proceeds received from the successful bidder, without further order of the Court.

B. Bidding Procedures.

The sale of the Personal Property will be subject to the following Bidding Procedures:

a. Potential bidders must bid an initial amount of at least \$29,000.00. Minimum bid increments thereafter shall be \$2,000. Buyer has the right to further bid on the Personal Property in the event of an overbid. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the successful bid.

b. Bids must be in writing and be received by the Trustee on or before 5:00 p.m. (California time) on **June 9, 2022** [the date that is seven days prior to the Court hearing on the Trustee's motion for a Court order approving the sale of the Personal Property ("Sale Motion")]. **To be a "Qualified Over Bidder" a potential bidder must also deliver to the Trustee, by either cashier's check or wire transfer, no later than five business days before the hearing on the Sale Motion, a deposit of not less than \$29,000.00.** The bidder must also provide evidence of having sufficient specifically committed funds to complete the transaction and such other documentation relevant to the bidder's ability to qualify as the purchaser of Personal Property and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

c. The bidder must seek to acquire the Personal Property on terms and conditions not less favorable to the Estate than the terms and conditions to which Buyer has agreed to purchase the Personal Property with Buyer including no contingencies and closing on the sale in the same time parameters as Buyer.

d. All competing bids must acknowledge that the Personal Property is being sold on an "AS IS" basis without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the Personal Property or the quality of the title thereto, or any other matters relating to the Personal Property. The competing bid buyer must represent and warrant that he/she is purchasing the Personal Property as a result of their own investigations and are not buying the Personal Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Trustee. The competing bidder must acknowledge that he/she has inspected the Personal Property, and upon closing of sale transaction, Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims against the Debtor, their attorneys, agents and employees, the Debtor's Estate, Richard A. Marshack as Trustee and individually, and the law firm of which he is associated, his counsel in the case, Shulman Bastian Friedman & Bui LLP, his agents and employees, arising or which might otherwise arise in the future concerning the Personal Property.

e. If overbids are received, the final bidding round shall be held at the hearing on the Trustee's Sale Motion seeking approval of the sale of the Personal Property, or if rescheduled, upon telephonic notice to Buyer and the parties having submitted overbids in order to allow all potential bidders the opportunity to overbid and purchase the Personal Property. At the final bidding round, the Trustee will, in the exercise of his business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Personal Property, consistent with the Bidding Procedures ("Successful Bidder"). At the hearing on the Sale Motion, the Trustee will seek entry of an order, inter alia, authorizing and approving the sale of the Personal Property to the Successful Bidder. The hearing on the Sale Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Sale Motion. In the event the Successful Bidder fails to close on the sale within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's deposit and will be released from his obligation to sell the Personal Property to the Successful Bidder and may then sell the Personal Property to the First Back-Up Bidder approved by the Court. In the event First Back-Up Bidder fails to close on the sale within the time parameters approved by the Court, the Trustee shall

1 retain the First Back-Up Bidder's deposit and will be released from the obligation to sell the Personal
2 Property to the First Back-Up Bidder and may then sell the Personal Property to the Second Back-
Up Bidder approved by the Court.

3 The Bidding Procedures will be provided to all creditors and any potential bidders or parties
4 who have shown an interest in the Personal Property (to date no parties have expressed an interest).
5 In addition, a Notice of Sale of Estate Property will be filed with the Court for posting on the Court's
6 website under the link "Current Notices of Sales", thereby giving notice to additional potential
7 interested parties. Based on the foregoing, the Trustee believes that under the circumstances of this
8 case, the Personal Property will have been appropriately marketed for overbidding.

9 Based upon an analysis of the costs associated with storage and sale of the Personal Property,
10 the Trustee is of the opinion and belief that proposed sale is in the best interest of the Estate, as it
11 will generate the most funds for the benefit of Estate and creditors.

12 Pursuant to Local Bankruptcy Rule 6004-1(g), once the sale closes, the Trustee will file with
13 the Court a *Report of Sale* which details the sale terms approved and the identity of the buyer(s).

14 V. LEGAL AUTHORITIES

15 A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the 16 Estate.¹²

17 The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. § 704, which
18 provides in relevant part as follows:

19 (a) The trustee shall—

20 (1) collect and reduce to money the property of the estate for which
21 such trustee serves, and close such estate as expeditiously as is
22 compatible with the best interests of parties in interest;

23 (2) be accountable for all property received;

24 11 U.S.C. §704(a).

25 Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. §
26 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale

27 ¹² Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be
28 filed in support of the Sale Motion, the Trustee is nevertheless submitting one.

1 and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830,
2 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983).

3 In this case, the sale is anticipated to net the Estate value of approximately \$26,366.00
4 consisting of the following: (i) Buyer's cash deposit of \$3,421.00, (ii) Buyer's waiver of her
5 Administrative Claims totaling \$12,937.00 as of May 25, 2022, and (iii) payment of the remaining
6 debt owed Wells Fargo on the Cargo Van of \$9,920.00.

7 It is difficult at this point to determine the percentage of distribution to unsecured creditors
8 given that the principal assets of the Estate consist of litigation claims, and so the total amount to be
9 recovered in this case is unknown. However, the alternative to the sale is much worse, i.e. the
10 Trustee would lose this favorable business opportunity as no other potential buyers have come
11 forward.

12 The Trustee believes that it would be in the best interest of the Estate and its creditors to sell
13 the Personal Property. The benefits to the Estate, as set forth above, are tremendous due to the funds
14 to be received of \$3,421.00 and value in the form of waiver of the Buyer Administrative Claims
15 (\$12,937.00) and Buyer's agreement to pay the remaining debt owed Wells Fargo (\$9,920.00). If
16 the Sale Motion is not approved, the Estate will not receive these benefits and may incur costs
17 associated with moving the Personal Property currently stored by Buyer and storing and insuring
18 the items at a new location until they can be sold. Furthermore, if the Sale Motion is not approved,
19 the Estate may have difficulty finding another buyer and may have to abandon the Personal Property
20 as being burdensome (the costs to move the Personal Property currently stored by Buyer and pay
21 for their storage at a new location and pay for insurance until they could be sold would likely
22 outweigh any sale benefit), which would result in no benefit for the Estate.

23 The Trustee does not want to lose this beneficial business opportunity. Thus, the Trustee
24 has made a business decision that it is in the best interest of the creditors of the Estate that this Sale
25 Motion be approved.

26 **B. The Sale is Made in Good Faith.**

27 The proposed sale has been brought in good faith and has been negotiated on an "arms
28 length" basis.

1 The court, in *Wilde Horse Enterprises*, set forth the factors in considering whether a
2 transaction is in good faith. The court stated:

3
4 'Good faith' encompasses fair value, and further speaks to the
5 integrity of the transaction. Typical 'bad faith' or misconduct, would
6 include collusion between the seller and buyer, or any attempt to take
7 unfair advantage of other potential purchasers. . . . And, with respect
8 to making such determinations, the court and creditors must be
9 provided with sufficient information to allow them to take a position
10 on the proposed sale.

11 *Id.* at 842 (citations omitted).

12 In this case, the negotiation of the proposed sale was an arms-length transaction. Buyer is
13 the principal of the Debtor and has filed a proof of claim in this case, Claim 5 which includes priority
14 claims of \$12,805.64 and a general unsecured claim of \$226,500.00. Buyer's offer is the only the
15 offer for the Personal Property that has been received and no other potential buyers are known.
16 Buyer is not otherwise connected with the case and has no relationship with the Trustee. As set
17 forth in the Notice of the Sale Motion, the creditors will have been provided with sufficient notice
18 of the sale. Accordingly, the sale is in good faith and should be approved. The Trustee shall request
19 such a finding pursuant to Bankruptcy Code § 363(m) at the hearing on this Sale Motion.

20 **C. The Proposed Sale Should be Allowed Free and Clear of Liens.**

21 Bankruptcy Code § 363(f) allows a trustee to sell property of the bankruptcy estate "free and
22 clear of any interest in such property of an entity," if any one of the following five conditions is met:

- 23 (1) applicable non-bankruptcy law permits a sale of such property free and
24 clear of such interest;
25 (2) such entity consents;
26 (3) such interest is a lien and the price at which such property is to be sold
27 is greater than the aggregate value of all liens on such property;
28 (4) such interest is in bona fide dispute; or
(5) such entity could be compelled, in a legal or equitable proceeding, to
accept money satisfaction of such interest.

11 U.S.C. § 363(f).

Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions needs to be satisfied for Court approval to be appropriate. The Trustee proposes to sell under section 363(f)(2) and under 363(f)(4).

1. Section 363(f)(2) - Consent

With respect to outstanding amounts owed to Wells Fargo related to the Cargo Van, Buyer has agreed to pay the lien in the amount consented to by the lienholder, and based on their consent to the sale, the Trustee will have satisfied § 363(f)(2).

2. Section 363(f)(5) – Bona Fide Dispute

Out of an abundance of caution, to the extent there are any unresolved liens at closing, the Trustee proposes to sell under section 363(f)(4), as unresolved liens and interests against the Personal Property, if any, will be disputed by the Trustee and shall attach to the sale proceeds with the same force, effect, validity, and priority as such liens or interests had with respect to the Personal Property prior to the sale.

A bona fide dispute has been defined by *In re Atwood*, 124 B.R. 402 (Bankr. S.D. Ga. 1991) as a “genuine issue of material fact that bears upon the debtor’s liability, or meritorious contention as to the application of law to undisputed facts.” *Id.* at 407. In *In re Milford Group, Inc.*, 150 B.R. 904 (Bankr. M.D. Pa. 1992), the court stated it need not resolve a bona fide dispute, but must determine whether the issues presented are genuine as to the existence of a bona fide dispute. In doing so, the *Milford* Court found that the debtor had met its burden to establish cause for the Court to allow for the sale of the property, free and clear of liens. Requiring resolution of those issues before the sale of the assets may likely take substantial time, effort and expense by the parties. Here, unresolved liens, if any, are disputed by the Trustee. The need to resolve disputed liens, if any, should not hinder, delay or in any way inhibit the Trustee’s efforts to maximize the value of the sale of the Personal Property for the Estate. As unresolved liens are subject to a bona fide dispute, pursuant to Bankruptcy Code §§ 363(b) (1) and (f)(4), the Trustee seeks to sell the Personal Property free and clear of unresolved liens, if any, with such disputed liens to attach to the proceeds of the sale in the same validity and priority as prior to the sale pending agreement with the lienholder or

1 further Court order. Thus, approval for the sale free and clear of disputed liens pursuant to
2 Bankruptcy Code § 363(f)(4) is appropriate.

3 **D. The Court Has the Authority to Wave the Fourteen-Day Stay of Sale.**

4 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use,
5 sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry
6 of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004. The Trustee desires to
7 close the sale as soon as practicable after entry of an order approving the sale. Accordingly, the
8 Trustee requests that the Court, in the discretion provided it under Federal Rule of Bankruptcy
9 Procedure 6004(h), waive the fourteen-day stay requirement.

10 **E. The Court Has the Authority to Approve the Bidding Procedures.**

11 Implementing the Bidding Procedures is an action outside of the ordinary course of the
12 business. Bankruptcy Code § 363(b)(1) provides that a trustee “after notice and hearing, may use,
13 sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. §
14 363(b)(1). Furthermore, under Bankruptcy Code § 105(a), “[t]he court may issue any order, process,
15 or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. §
16 105(a). Thus, pursuant to Bankruptcy Code §§ 363(b)(1) and 105(a), this Court may authorize the
17 implementation of overbidding procedures.

18 The Ninth Circuit, in a case under the Bankruptcy Act, recognized the power of a bankruptcy
19 court to issue orders determining the terms and conditions for overbids with respect to a sale of
20 estate assets. *In re Crown Corporation*, 679 F.2d 774 (9th Cir. 1982). The *Crown Corporation*
21 court entered an order specifying the minimum consideration required for an overbid as well as the
22 particular contractual terms required to be offered by overbidders. *Id.* at 777. The *Crown*
23 *Corporation* decision also approves an order requiring and setting the amount of potential
24 overbidder’s deposits and authorized courts to determine the disposition of such deposits. *Id.* While
25 the discussion is not extensive, the *Crown Corporation* decision recognizes the authority of
26 bankruptcy courts to order the implementation of bidding procedures such as those proposed in the
27 present case.

1 **VI. CONCLUSION**

2 Based upon the foregoing, the Trustee respectfully submits that good cause exists for
3 granting the Sale Motion and requests that the Court enter an order which provides as follows:

4 1. Approving the Bidding Procedures for the sale of the Personal Property.

5 2. Authorize the Trustee to sell the Personal Property to Buyer (or a successful
6 overbidder) on an as-is basis pursuant to the terms and conditions of the Purchase Agreement
7 attached as **Exhibit 1** to the Marshack Declaration.

8 3. Authorize the sale to be without any warranties, representations or contingencies,
9 and free and clear of any vested or contingent claims, interests, liens, rights, choses in action, or
10 other adverse claims or interests of, by or on behalf of the Debtor or any of its creditors or third
11 parties pursuant to Bankruptcy Code §§ 363(b)(1) and (f), with any unresolved liens, claims and
12 interests to attach to the sale proceeds pending agreement with the secured parties or further Court
13 order.

14 4. Authorize the Trustee to execute any and all documents to effectuate the sale of the
15 Personal Property including the Purchase Agreement and any certificate of title to the Cargo Van so
16 that title may transferred to the successful buyer provided however, if deemed appropriate by the
17 Trustee, Buyer as the Debtor's former president may execute the certificate of title to the Cargo Van
18 in order to effectuate the transfer with the department of motor vehicles.

19 5. Authorize the Trustee to sign a Bill of Sale at closing of the sale transaction in a form
20 that is consistent with the terms of the Purchase Agreement.

21 6. Authorize the Trustee on behalf of the Estate to recover any refund due the Estate on
22 account of insurance premiums paid by the Estate related to the Cargo Van and in the event Buyer
23 receives the insurance premium refund, Buyer shall immediately turnover the refund to the Trustee.

24 7. A determination by the Court that Buyer is in good faith pursuant to Bankruptcy
25 Code § 363(m).

26 8. Waiving the fourteen (14) day stay of the order approving the sale of under Federal
27 Rule of Bankruptcy Procedure 6004(h).

1 9. In the event Buyer is not the successful bidder, the Buyer Administrative Claims in
2 the amount of \$12,937¹³ are allowed pursuant to 11 U.S.C. § 503, and the Trustee is authorized to
3 pay from the proceeds received from the successful bidder, without further order of the Court, such
4 sums to Buyer.

5 10. Trustee's compliance with Local Bankruptcy Rule 6004-1(g) to file a Report of Sale
6 detailing the terms of sale with the Court once the sale closes.

7 11. For such other and further relief as the Court deems just and proper under the
8 circumstances of this case.

9 Dated: May 24, 2022

SHULMAN BASTIAN FRIEDMAN & BUI LLP

/s/ Ryan D. O'Dea

Leonard M. Shulman

Ryan D. O'Dea

Attorneys for Richard A. Marshack, Chapter 7 Trustee for
the bankruptcy estate of Beck & Chase Enterprises, Inc.,
Case No. 8:20-bk-12864-ES

13 The amount of \$12,937 is as of May 25, 2022. This amount is subject to monthly increase of \$611.00 in the event
additional Cargo Van loan payments of \$436.00 and storage costs of \$175.00 are paid by the Buyer,

DECLARATION

DECLARATION OF RICHARD A. MARSHACK

I, Richard A. Marshack declare:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate (“Estate”) of Beck & Chase Enterprises, Inc., Case No. 8:20-bk-12864-ES (“Debtor”). I have personal knowledge of the facts set forth here, and if called and sworn as a witness, I could and would competently testify to the facts.

2. I make this Declaration in support of my Chapter 7 Trustee's Motion for Order Approving the Sale of Personal Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized (“Sale Motion”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. The Court’s docket reflects that the Debtor filed a voluntary petition under Chapter 11 Subchapter V of the Bankruptcy Code on October 13, 2020. On October 14, 2020, a Notice of Appointment of Trustee and Acceptance of Subchapter V Trustee was filed, appointing Robert Goe as the Subchapter V Trustee. On October 25, 2021, the Court entered its Order Denying Confirmation of Third Amended Chapter 11 Plan and Converting Case to Case Under Chapter 7. On October 26, 2021, a Notice of Appointment of Trustee and Fixing of Bond; Acceptance of Appointment as Trustee was filed, appointing Richard A. Marshack as the Chapter 7 Trustee.

4. The Court’s docket indicates that the general deadline to file proofs of claims in this case was February 7, 2022.

5. I have received an offer from Debtor’s sole shareholder and president, Donna Beck, to purchase the remaining personal property formerly located at the Lease Location consisting of the miscellaneous computer/office equipment, furniture and supplies, the 2017 Cargo Van and the Debtor’s laser engraving machine (collectively the “Personal Property”) as a bundle for total consideration valued at \$26,366.00 consisting of the following: (i) Buyer’s cash deposit of \$3,421.00, (ii) Buyer’s waiver of her Administrative Claims totaling \$12,937.00 (amount as of May 25, 2022), and (iii) payment of the remaining debt owed Wells Fargo on the Cargo Van of \$9,920.00. Attached here as **Exhibit 1** is a true and correct copy of the Purchase Agreement.

6. Attached here as **Exhibit 2** is a true and correct copies of the Debtor's Schedules A/B and D. I am advised that (i) during the Chapter 11, much of the work in process inventory was depleted, and (ii) the office furniture/equipment, Cargo Van and laser engraving machine have all declined in value during the last year since the Schedule A/B was filed.

7. In order to obtain the best price for the Personal Property, I seek a Court order authorizing me to sell the Personal Property to Buyer (or the successful bidder), on an as-is basis, pursuant to the terms of the Purchase Agreement. The sale shall be without any warranties, representations or contingencies, free and clear of liens, claims and interests of third parties pursuant to Bankruptcy Code §§ 363(b)(1) and (f), with any unresolved liens, claims and interests to attach to the sale proceeds pending agreement with the secured parties or further Court order. In the event Buyer is the successful bidder, the Buyer Administrative Claims will be waived.

8. The sale will be subject to the Bidding Procedures described in the Sale Motion. The Bidding Procedures will be provided to all creditors and any potential bidders or parties who have shown an interest in the Personal Property(to date no parties have expressed an interest). In addition, a Notice of Sale of Estate Property will be filed with the Court for posting on the Court's website under the link "Current Notices of Sales", thereby giving notice to additional potential interested parties. Based on the foregoing, I believe that under the circumstances of this case, the Personal Property will have been appropriately marketed for overbidding.

9. Based upon an analysis of the costs associated with moving and storage of the Personal Property until it can be sold, I am of the opinion and belief that proposed sale is in the best interest of the Estate, as it will generate the most funds and other the benefits for Estate and creditors. The sale will provide for a cost-efficient and expeditious manner in which to administer the Personal Property. The benefits to the Estate are the funds to be received of \$3,421.00 and value in the form of waiver of the Buyer Administrative Claims (\$12,937.00 as of May 25, 2022) and Buyer's agreement to pay the remaining debt owed Wells Fargo (\$9,920.00). If the Sale Motion is not approved, the Estate will not receive these benefits and may incur costs associated with moving the Personal Property currently stored by Buyer, storing the items at a new location and paying for insurance until the Personal Property can be sold. Furthermore, if the Sale Motion is not approved,

1 the Estate may have difficulty finding another buyer and may have to abandon the Personal Property
2 as being burdensome (the costs to move the Personal Property currently stored by the Buyer and
3 pay for their storage at a new location and pay for insurance until they could be sold may outweigh
4 any sale benefit), which would result in no benefit for the Estate. I do not want to lose this beneficial
5 business opportunity. Thus, I have made a business decision that it is in the best interest of the
6 creditors of the Estate that this Sale Motion be approved.

7 I declare under penalty of perjury under the laws of the United States of America that the
8 foregoing is true and correct.

9 Executed on May 24, 2022, at Irvine, California.

10 
11

12 Richard A. Marshack, solely in the capacity as the
13 Chapter 7 Trustee for the bankruptcy estate of Beck & Chase
14 Enterprises, Inc., Case No. 8:20-bk-12864-ES
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Exhibit 1

Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

The parties to this Asset Purchase Agreement (the “Agreement”) are:

1. Donna Beck, an individual (“Donna” or “Buyer”); and
2. Richard Marshack, (“Trustee” or “Seller”) the Chapter 7 Trustee for the Bankruptcy Estate of Chapter 7 Debtor Beck & Chase Enterprises, Inc. (the “Estate”) in Chapter 7 Case No. 8:20-bk-12864-ES (the “Bankruptcy “Case”);

I. RECITALS

A. Debtor filed for Chapter 11 bankruptcy protection on June 18, 2013. The court converted the Bankruptcy Case from Chapter 11 to Chapter 7 by order entered October 25, 2021.

B. On October 26, 2021 Seller was duly appointed and continues to act as the Chapter 7 Trustee for the Debtor’s Estate.

C. Among the assets scheduled by the Debtor in the Bankruptcy Case is an ownership interest in tangible personal property consisting of miscellaneous computer/office equipment, furniture and supplies, a 2017 Chevy Express Cargo Van VIN 1GCWGAFF1H1188461 (“Cargo Van), and a Laser Engraving machine (the “Personal Property”). The Personal Property is more particularly described in **Exhibit A**, attached hereto;

D. At the time the Bankruptcy Case was converted to Chapter 7, the Personal Property was located at the Debtor’s leased business location at 215 Pineda Street, Suite 185-189, Longwood, Florida, 32750 (the “Lease Location”).

E. Donna is the sole shareholder and officer of the Debtor at all times since the conversion of the Bankruptcy Case from Chapter 11 to Chapter 7.

F. After conversion of the Bankruptcy Case, Donna has taken actions with the knowledge and consent and at the request of the Trustee to preserve assets of the Estate as follows:

1. Payment from Donna’s personal funds of Florida State sales taxes in the amount of **\$6,506.00** (averting a substantial financial penalty to the Estate for a late filing and payment) (the “Tax Payment Administrative Claim”);
2. As of May 25, 2022, payments from Donna’s personal funds for repairs, vehicle registration and debt service on the Cargo Van in the amount of **\$3,290** (the “Cargo Van

Administrative Claim”). Until the sale of the Personal Property closes, Donna asserts that the Cargo Van Administrative Claim will increase monthly by \$436.00 on account payments she will be making on the Wells Fargo Auto (“WFA”) loan secured by the Cargo Van.

3. As of May 25, 2022, payment from Donna’s personal funds in the amount of **\$3,141** to remove the Debtor’s personal property from the Lease Location during the first week in January 2022, store the Personal Property since then, and leave the Lease Location “broom swept” so that the Trustee/Estate could negotiate a release of future administrative and non-administrative rent claims with the Debtor’s landlord (the “Clean-Up Administrative Claim”). Until the sale of the Personal Property closes, Donna asserts that the Clean-Up Administrative Claim will increase monthly by \$175 on account of storage costs she will be paying.

G. The Tax Payment Administrative Claim, Cargo Van Administrative Claim and the Clean-Up Administrative Claim (collectively the “Buyer Administrative Claims”) total **\$12,937** (Twelve Thousand Nine Hundred Thirty-Seven Dollars) as of May 25, 2022, which amount will increase monthly by \$611.00 on account of monthly payments of (i) \$436.00 related to the Cargo Van debt service and (ii) \$175 for storage costs. Attached hereto as **Exhibit B** is an itemized statement of Buyer Administrative Claims.

H. The Cargo Van is encumbered by a lien in favor of WFA as referenced by Proof of Claim # 1-1 filed by WFA in the Bankruptcy Case on October 22, 2020 in the amount of \$16,769.66. As of the date of this Asset Purchase Agreement, the balance owed by the Debtor on the WFA loan for the Cargo Van has been reduced to **\$9,920**. Buyer is a guarantor on the Debtor’s loan owed to WFA secured by the Cargo Van and has continued to make monthly payments on the loan.

I. No order has been entered for allowance of the Buyer Administrative Claims. Buyer has advised the Trustee that she will apply for and seek allowance of the Buyer Administrative Claims pursuant to 11 U.S.C. § 503.

II. ASSET PURCHASE TERMS

Buyer will purchase, and Trustee has agreed to sell to Buyer, the Personal Property, subject to the following terms and conditions:

A. Consideration-Buyer

1. Buyer shall pay the sum of **\$3,421.00** (Three Thousand Four Hundred Twenty-One Dollars) to the Trustee by certified funds (“Buyer Deposit”) delivered to the Trustee no later than five (5) days prior to the hearing on the Trustee’s Sale Motion (defined below) seeking approval of this Agreement.

2. Buyer will waive and release the Estate from all of the Buyer Administrative Claims.

3. Buyer will agree to pay and hold harmless the Estate from the claim of WFA related to the lien on the Cargo Van. Buyer shall provide to the Estate proof of payment and release of the WFA lien on the Cargo Van no later than 45 days after the entry of a final non-appealable order from the Bankruptcy Court approving this Agreement.

4. For the sake of clarity and avoidance of doubt, Buyer’s offer to purchase the Personal Property is valued as \$3,421.00 cash, waiver of Buyer’s right to seek reimbursement of the Buyer Administrative Claims in the amount of \$12,937, and assumption of/agreement to pay Estate debt related to the Cargo Van (WFA) of \$9,920.00, for a total of **\$26,366.00** (Twenty-Six Thousand Three Hundred Sixty-Six Dollars)

B. Consideration-Seller

1. Subject to the terms and conditions herein, the Trustee shall sell to Buyer all of the Estate’s rights, title and interest in the Personal Property, as is where is without warranty.

2. Buyer acknowledges and has agreed that the Trustee on behalf of the Estate may recover any refund due the Estate on account of insurance premiums paid by the Estate related to the Cargo Van. In the event Buyer receives the insurance premium refund, Buyer shall immediately turnover the refund to the Trustee.

3. As soon as reasonably practicable after execution of this Agreement, the Trustee shall cause to be filed with the court a Motion for an Order Approving this Agreement (the “Sale Motion”). The Trustee shall be responsible for the preparation and bringing of the Sale Motion before the Bankruptcy Court.

C. Approval by the Bankruptcy Court

1. The effectiveness of this Agreement is subject to the Court's approval by entry of an Order approving this Agreement. Buyer is informed and agrees that the Sale Motion shall be pursuant to the provisions of 11 U.S.C. § 363 and that the Court can and will require and the Trustee will solicit potential overbids for the Personal Property as a part of the § 363 approval process.

2. This Agreement is contingent upon the Trustee's Sale Motion and/or resulting Order granting the Sale Motion and approving this Agreement containing the following terms:

a. The minimum cash overbid shall be not less than \$29,000 (Twenty-Nine Thousand Dollars), and Buyer has the right to further bid on the Personal Property in the event of an overbid;

b. The Order approving the Sale shall be in a form satisfactory to Buyer and her counsel and include language that transfers all of the Estate's right, title and interest in the Personal Property to Buyer *free and clear of any vested or contingent claims, interests, liens, rights, choses in action, or other adverse claims or interests of, by or on behalf of the Debtor or any of its creditors.*

c. The Order approving the Sale shall provide that in the event Buyer is not the successful bidder, the Buyer Administrative Claims in the amount of \$12,937 are allowed pursuant to 11 U.S.C. § 503, and that the Trustee will pay from the proceeds received from the successful bidder, without further order of the Court, such sums to Buyer. The amount of \$12,937 is as of May 25, 2022. This amount is subject to monthly increase of \$611.00 in the event additional Cargo Van loan payments of \$436.00 and storage costs of \$175.00 are paid by the Buyer.

d. The preceding paragraphs are not intended to include a warranty of title of any nature by the Trustee or the Estate in favor of Buyer and is not intended to be a warranty as to the value or existence of any legal rights with regard to the Personal Property.

e. Only Qualified Over Bidders will be permitted to bid for the Personal Property and the Trustee's Sale Motion shall incorporate those terms. At a minimum, to be a "Qualified Over Bidder" a potential bidder must deliver, in advance of the hearing on the Sale Motion, by either cashier's check or wire transfer, no later than 5 business days before the hearing, a deposit of not less than \$29,000 (Twenty-Nine Thousand Dollars).

f. As part of the Sale Motion, the Trustee shall request that the order approving the sale shall contain language, suitable to Buyer, that Buyer is found to be a good faith purchaser, and that the transaction is entered into in good faith within the meaning of 11 U.S.C. § 363(m).

3. In the event that the Sale Motion is not approved by the Court for any reason, including acceptance of an over-bid by a party other than Buyer, this Agreement and all of its terms are void and the Trustee shall return the Buyer Deposit described in paragraph II.A.1 within ten (10) calendar days of the final order approving the sale to the over-bidder or denial of the Sale Motion by the Court.

III. MISCELLANEOUS PROVISIONS

A. Representations And Warranties

Each of the parties to this Agreement represent, warrant and agree as to each such party as follows:

1. Each party hereto has full authority and capacity to execute this Agreement on its own behalf;

2. No party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation to any other party regarding any fact relied upon in entering into this Agreement, and each party does not rely upon any statement, representation or promise of any other party (or of any officer, agent, employee, representative, or attorney for the other party), in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement;

3. Each party to this Agreement has made such investigation of the facts pertaining to this Agreement and of all the matters pertaining thereto as it deems necessary;

4. Each party has read this Agreement and understands the contents hereof;

5. In entering into this Agreement, each party assumes the risk of any misrepresentation, concealment or mistake. If any party should subsequently discover that any fact relied upon by it in entering into this Agreement was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, such party shall not be entitled to any relief in connection therewith, including, without limitation on the generality of the foregoing, any alleged right or claim to set aside or rescind this Agreement. This Agreement is intended to be and is final and binding between the parties hereto, regardless of any claims of misrepresentation, promise made without the intention to performing, concealment of fact, mistake of fact or law, or of any other circumstance whatsoever;

6. The parties will execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this Agreement;

7. Each term of this Agreement is contractual and not merely a recital.

B. Choice of Law

This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

C. No Oral Modifications

This Agreement is the entire Agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement may be amended only by an agreement in writing.

D. Equal Contribution of Drafting

Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party.

E. Attorney's Fees

In the event of litigation relating to this Agreement, each party shall bear its own costs, including attorney's fees.

F. Execution in Counterparts

This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart (including facsimile signatures) shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties.

G. Jurisdiction

The parties hereto agree that the United States Bankruptcy Court for the Central District of California, Santa Ana Division, shall have sole and exclusive jurisdiction, sitting without a jury, to hear and determine any disputes that arise under or on account of this Agreement.

H. Trustee's Capacity.

The Trustee is signing this Agreement in his capacity solely as Chapter 7 Trustee of the Estate. Nothing contained herein shall in any way impute liability to the Trustee, personally or as a member of any professional organization or anyone acting on her behalf.

This Agreement consisting of 7 pages, is made and entered into on and as of May 25, 2022.

BUYER

Date: _____

Donna Beck

TRUSTEE

Date: _____

Richard Marshack, Chapter 7 Trustee

Exhibit A
Personal Property

Beck & Chase Tangible Property List

(All property listed herein can be seen in the walk-through videos shared with the trustee on December 20, 2021.)

Vehicle

2017 Chevy Cargo Van – with lien (Wells Fargo)

Office Supplies

4 drawer lateral filing cabinet

2 plastic desk chair mats

Paper shredder

Partial Box of Vinyl Cord Holder for cords running across floors

Small Laser Printer with 3 replacement toner cartridges

Box of multiple power strips

Letter-size paper cutter

Telephones

4 boxes of general office supplies, i.e., desk racks, paperclips, pens, post it notes,
coasters, staplers, paper tablets, wireless router, dry erase board cleaner & eraser, paper, postage
scales, binder clips, Can of Computer Duster (Air)

3 old computers with monitors, keyboards, and mouse some without air card for internet

Office Showroom Displays

5 Garment Racks with Screen Printed, or Dye Sublimated Imprint or Embroidery Decoration

Sample Shirts

Two 6 ft folding tables

Plastic Pegboard display

Product Samples

12 boxes of Sample Promotional Products (T-Shirts, Dye Sublimated Shirts, Poker Chips, Cups,
Pens, Padfolios, Backpacks, Coolers, Blankets, Hard Hats, etc.)

5 boxes of Lapel Pin & Challenge Coin Samples

Breakroom Supplies

Small Microwave

Small Toaster Oven

Kitchen Utensils

Plates & Cups

Small Kitchen Gadgets

Conference/Event Supplies

Calvert Tradeshow Display with 2 Travel Containers

Calvert Tradeshow Banner

Calvert Popup Tent

40" HD TV

Folding Garment Rack

2 Small Folding Table Displays for small items like pins, coins, bumper stickers, etc.

Folding Dolly

Exhibit A

Exhibit 1

Warehouse Supplies

- Hand Truck (Dolly)
- Deck Plate
- 8 ft folding table
- 4 Fatigue Mats – various sizes

Shipping Supplies

- Partial Box of 6x9 Padded Envelopes
- 4 Rolls of Packing Tape with Tape Gun
- Partial Box of Poly Envelopes
- 2 Yard Sticks
- Shrink Wrap for Skids
- Made in USA Labels
- USPS & UPS Envelopes
- Challenge Coin Vinyl Pouches
- Rubber Bands
- Partial bundle of various size boxes

Laser Engraver

- Universal Laser 50W Engraving Machine with 12"x18" Flat Bed Engraving Area with blower
- Small box of miscellaneous tools (hammer, screw drivers, allen wrenches, etc.)
- Small box of various engraving supplies, foils, shoe polish, glues, double sided tape, cleaning solution, etc.
- 1 Container of manuals and software for engraver

Engraving Supplies

- 14" cutter for metal
- Computer with monitor, keyboard & mouse
- 40 boxes of various size plaque boards
- 3 very large plaque boards
- 4-5 partial sleeves of various sized brass plates
- 5 partial boxes of various colors of engravable plastic
- A few pieces of engravable leather
- 5-inch round glass award without the base

Left over Beck & Chase Inventory

- SIB Conference Store
 - T-Shirts (Imprinted with SIB Logo)
 - Bracelets
 - Headbands
 - Scrunchies
 - Hangers
 - Leggins
 - Blouses
- 11 boxes of hand sanitizer 2 oz. bottles (left over from orders from 2020)
- 5 boxes of IBEW 47 2020 Steward Conference T-Shirts (Event was cancelled)

Exhibit A

Exhibit 1

Exhibit B

Buyer Administrative Claims

PACK/EMPTY & CLEAN OFFICE SPACE

Pack & Move Out of Office

Friday, December 31 (Holiday) – Packing-2 People, 9 Hrs @ \$25.00/hr.	\$450
Saturday, January 1 (Holiday) – Packing-2 People, 9 Hrs @ \$25.00/hr.	\$450
Sunday, January 2 (Holiday/Sunday) – Moving-3 People, 12 Hrs @ \$25.00/hr.	\$900

Office Clean Up

Monday, January 3 -- 4 Hrs @ \$25.00/hr	\$100
Disposal of Pallets at Landfill	\$8
Dumpster Removal	\$210

Moving Truck

Rental Charge	\$192
Fuel Charge	\$111

Storage Unit

12/29 Payment (rent special for 1 st month)	\$32
2/2 Payment	\$163
3/2 Payment	\$175
4/1 Payment	\$175
5/1 Payment	\$175
<i>Upcoming 6/1 Payment</i>	<i>\$175</i>

Subtotal ***\$3,316***

VEHICLE EXPENSES

Van Expenses Made Personally by Donna Beck to Protect Asset of Beck & Chase Enterprises

November 18, 2021 - Battery Replacement	\$162
November 2021	\$436
December 2021	\$436
December 15, 2021 - Registration Renewal	\$76
January 2022	\$436
February 2022	\$436
March 2022	\$436
April 2022	\$436
May 2022	\$436
<i>Upcoming June 10 Payment</i>	<i>\$436</i>

Subtotal ***\$3,726***

Sales Taxes

Florida Sales Tax Paid Personally by Donna Beck	<u>\$6,506</u>
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Subtotal ***\$6,506***

Exhibit B

Exhibit 1

Exhibit 2

Schedules A/B and D

Fill in this information to identify the case:

Debtor name Beck & Chase Enterprises, Inc.

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- ☐ No. Go to Part 2.
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. **Checking, savings, money market, or financial brokerage accounts (Identify all)**

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

3.1. Union Bank General Operating Account

Business Checking

2356

\$33,715.17

3.2. Union Bank Business Payroll

Business Checking

2356

\$6,517.50

4. **Other cash equivalents (Identify all)**

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$40,232.67

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- ☐ No. Go to Part 3.
☒ Yes Fill in the information below.

7. **Deposits, including security deposits and utility deposits**

Description, including name of holder of deposit

7.1. Security Deposit Lease in Florida

\$3,500.00

8. **Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent**

Description, including name of holder of prepayment

Debtor Beck & Chase Enterprises, Inc. Case number (if known) _____
Name

8.1. Landlord First month rent and taxes and CAM for Florida Lease \$3,794.00

9. **Total of Part 2.** \$7,294.00
Add lines 7 through 8. Copy the total to line 81.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- ☐ No. Go to Part 4.
☒ Yes Fill in the information below.

11. **Accounts receivable**

11a. 90 days old or less: 605,260.50 - 0.00 = \$605,260.50
face amount doubtful or uncollectible accounts

11a. 90 days old or less: 64,476.54 - 0.00 = \$64,476.54
face amount doubtful or uncollectible accounts

12. **Total of Part 3.** \$669,737.04
Current value on lines 11a + 11b = line 12. Copy the total to line 82.

Part 4: Investments

13. Does the debtor own any investments?

- ☒ No. Go to Part 5.
☐ Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☐ No. Go to Part 6.
☒ Yes Fill in the information below.

General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19. Raw materials				
20. Work in progress Work In Progress. Recent orders whose production is in various stages of completeness. Gross orders for WIP on petition date are \$398,703.				
Estimated gross profit from this WIP \$152,448		\$0.00		\$152,448.00

21. **Finished goods, including goods held for resale**

Official Form 206A/B Schedule A/B Assets - Real and Personal Property

Debtor Beck & Chase Enterprises, Inc. Case number (if known) _____
Name

22. Other inventory or supplies
See Attachment A/B,
22/39/41/50 for detailed
list of Office Furniture,
Office Equipment,
Inventory/Supplies and
Machinery

Samples and Engraving
Supplies are primary
assets, this category _____
Unknown Liquidation \$1,500.00

23. Total of Part 5. \$153,948.00
Add lines 19 through 22. Copy the total to line 84.

24. Is any of the property listed in Part 5 perishable?
☒ No
☐ Yes

25. Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?
☒ No
☐ Yes. Book value _____ Valuation method _____ Current Value _____

26. Has any of the property listed in Part 5 been appraised by a professional within the last year?
☒ No
☐ Yes

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.
☐ Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☐ No. Go to Part 8.
☒ Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39. Office furniture See Attachment A/B, 22/39/41/50 for detailed list of Office Furniture, Office Equipment, Inventory/Supplies and Machinery Office Furniture is primary asset in this category _____	Unknown	Liquidation	\$2,500.00

40. Office fixtures

41. Office equipment, including all computer equipment and
communication systems equipment and software
See Attachment A/B, 22/39/41/50 for detailed
list of Office Furniture, Office Equipment, _____
Unknown Liquidation \$4,500.00

Debtor Beck & Chase Enterprises, Inc. Case number (if known) _____
Name

Inventory/Supplies and Machinery

Computers and phones are primary asset in this category

42. **Collectibles** *Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. **Total of Part 7.**
Add lines 39 through 42. Copy the total to line 86.

\$7,000.00

44. **Is a depreciation schedule available for any of the property listed in Part 7?**
☒ No
☐ Yes

45. **Has any of the property listed in Part 7 been appraised by a professional within the last year?**
☒ No
☐ Yes

Part 8: Machinery, equipment, and vehicles

46. **Does the debtor own or lease any machinery, equipment, or vehicles?**

- ☐ No. Go to Part 9.
☒ Yes Fill in the information below.

General description
Include year, make, model, and identification numbers
(i.e., VIN, HIN, or N-number)

Net book value of debtor's interest
(Where available)

Valuation method used for current value

Current value of debtor's interest

47. **Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles**

47.1. 2017 Chevy Express Van \$0.00 Liquidation \$18,000.00

48. **Watercraft, trailers, motors, and related accessories** *Examples:* Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels

49. **Aircraft and accessories**

50. **Other machinery, fixtures, and equipment (excluding farm machinery and equipment)**
See Attachment A/B, 22/39/41/50 for detailed list of Office Furniture, Office Equipment, Inventory/Supplies and Machinery

Engraving Machine is primary machinery asset \$0.00 Liquidation \$2,500.00
this category

51. **Total of Part 8.**
Add lines 47 through 50. Copy the total to line 87.

\$20,500.00

52. **Is a depreciation schedule available for any of the property listed in Part 8?**
☒ No
☐ Yes

53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**

Debtor Beck & Chase Enterprises, Inc. Case number (if known) _____
Name

- ☒ No
☐ Yes

Part 9: Real property

54. Does the debtor own or lease any real property?

- ☐ No. Go to Part 10.
☒ Yes Fill in the information below.

55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available).	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
55.1. Debtor Owns No Real Estate. See Schedule G for Leased Property		\$0.00		\$0.00

56. Total of Part 9.

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets.
Copy the total to line 88.

\$0.00

57. Is a depreciation schedule available for any of the property listed in Part 9?

- ☒ No
☐ Yes

58. Has any of the property listed in Part 9 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Part 10: Intangibles and intellectual property

59. Does the debtor have any interests in intangibles or intellectual property?

- ☐ No. Go to Part 11.
☒ Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, and trade secrets			
61. Internet domain names and websites URL: Calvertcompany.com URL: calvertcompany.info URL: calvertcompany.net URL: calvert company.org URL: calvertcompany.org	\$0.00	Recent cost	\$500.00

62. Licenses, franchises, and royalties

Debtor Beck & Chase Enterprises, Inc. Case number (if known) _____
Name

Florida Resellers License; Business License
Orange County and City of Orange Business
Licenses

\$0.00 Recent cost \$1,000.00

63. Customer lists, mailing lists, or other compilations

64. Other intangibles, or intellectual property
Non-Exclusive Customer List. Debtor does
not consider this proprietary. Listed in an
abundance of caution.

\$0.00 \$100.00

65. Goodwill

66. Total of Part 10.

\$1,600.00

Add lines 60 through 65. Copy the total to line 89.

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107?

☒ No

☐ Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

☒ No

☐ Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

☒ No

☐ Yes

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☐ No. Go to Part 12.

☒ Yes Fill in the information below.

Current value of
debtor's interest

71. Notes receivable

Description (Include name of obligor)

72. Tax refunds and unused net operating losses (NOLs)

Description (for example, federal, state, local)

73. Interests in insurance policies or annuities

74. Causes of action against third parties (whether or not a lawsuit
has been filed)

Debtor Beck & Chase Enterprises, Inc.
Name

Case number (if known) _____

Contract and Tort Claims against Robert Bartels related to March 2018 Asset Sale where Debtor acquired Assets of and name to Calvert Company. Debtor alleges that Bartels misrepresented the financial health of Calvert Company and the value of its current customer relationships, and failed to disclose known and relevant facts effecting the value of Calvert's assets. A result Debtor was induced to agree to pay far more than the value of the assets purchased. Claims are asserted both as recoverable claims and a defense to any claim filed by Bartels, and recovery of money paid to Bartels. On petition dater Debtopr had not initiated state court litigation regarding this claim.

Unknown

Nature of claim Contingent Business Litigation Claims

Amount requested \$4,000,000.00

Claims against American Business Forms, Inc. , dba American Solutionsd For Business ("ASB"). ASB acted as an agent and/or unregistered franchisor in March 2018 when "facilitating" the Debtor's purchase all of the assets of Calvert Company, owned by Robert Bartels, for \$2.4M. ASB assumed the role of active agent to Debtor in that transaction and signed a contract to "facilitate" the Debtor's purchase of the assets of Calvert Company. ASB had a long prior relationship with Calvert and it owner. ASB did not perform due dilligence or advise Debtor of known risks related to the purchase including misrepresentations of the current and prospective sales to be expected from the purchase, and the Debtor's sales have, from inception, never been what ASB abd Bartels represented as realistic sales figures. The Debtor therefore grossly overpaid for the business due to representations by both Bartels and ASB as to the value and sales to be expected from the Asset Purchase and Facilitator Agreement. Debtors claims are both affirmative and asserted as a defense to obligaqtions owed to ASB under the Facilitator Agreement and a seperate Independant Contractor Agreement.

Unknown

Nature of claim Contingent Business Litigation Claims

Amount requested \$2,500,000.00

75. Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims
76. Trusts, equitable or future interests in property
77. Other property of any kind not already listed *Examples:* Season tickets, country club membership

78. Total of Part 11.

Add lines 71 through 77. Copy the total to line 90.

\$0.00

79. Has any of the property listed in Part 11 been appraised by a professional within the last year?

☒ No

☐ Yes

Debtor Beck & Chase Enterprises, Inc. Case number (if known) _____
Name

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. Copy line 5, Part 1	\$40,232.67	
81. Deposits and prepayments. Copy line 9, Part 2.	\$7,294.00	
82. Accounts receivable. Copy line 12, Part 3.	\$669,737.04	
83. Investments. Copy line 17, Part 4.	\$0.00	
84. Inventory. Copy line 23, Part 5.	\$153,948.00	
85. Farming and fishing-related assets. Copy line 33, Part 6.	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. Copy line 43, Part 7.	\$7,000.00	
87. Machinery, equipment, and vehicles. Copy line 51, Part 8.	\$20,500.00	
88. Real property. Copy line 56, Part 9.....>		\$0.00
89. Intangibles and intellectual property. Copy line 66, Part 10.	\$1,600.00	
90. All other assets. Copy line 78, Part 11.	+ \$0.00	
91. Total. Add lines 80 through 90 for each column	\$900,311.71	+ 91b. \$0.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$900,311.71

Fill in this information to identify the case:

Debtor name **Beck & Chase Enterprises, Inc.**

United States Bankruptcy Court for the: **CENTRAL DISTRICT OF CALIFORNIA**

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.

☒ Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

Column A

Amount of claim

Do not deduct the value of collateral.

Column B

Value of collateral that supports this claim

2.1 **American Business Forms, Inc.**

Creditor's Name

**dba American Solutions For Business
POB 218; 31 East Minnesota Ave
Glenwood, MN 56334**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

March 2018-October 2020
Last 4 digits of account number

Do multiple creditors have an interest in the same property?

☒ No

☐ Yes. Specify each creditor, including this creditor and its relative priority.

Describe debtor's property that is subject to a lien

90 days or less: Accounts Receivable for Products sold and delivered and billed to Debtor's customers for products purchased through ASB's platform.

\$430,946.00

\$605,260.50

Describe the lien

UCC-1

Is the creditor an insider or related party?

☒ No

☐ Yes

Is anyone else liable on this claim?

☒ No

☐ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

Check all that apply

☒ Contingent

☒ Unliquidated

☒ Disputed

2.2 **Wells Fargo Auto**

Creditor's Name

**P.O. Box 168048
Irving, TX 75016**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

Last 4 digits of account number

Describe debtor's property that is subject to a lien

2017 Chevy Express Van

\$17,154.35

\$18,000.00

Describe the lien

Is the creditor an insider or related party?

☒ No

☐ Yes

Is anyone else liable on this claim?

☐ No

☒ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

Debtor **Beck & Chase Enterprises, Inc.**
Name

Case number (if known)

Do multiple creditors have an
interest in the same property?

☒ No

☐ Yes. Specify each creditor,
including this creditor and its relative
priority.

As of the petition filing date, the claim is:

Check all that apply

☐ Contingent

☐ Unliquidated

☐ Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

\$448,100.35

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did
you enter the related creditor?

Last 4 digits of
account number for
this entity

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **100 Spectrum Center Drive, Suite 600, Irvine, California 92618**

A true and correct copy of the foregoing document entitled (specify): NOTICE OF SALE OF ESTATE PROPERTY will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date **May 25, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (date) **May 25, 2022**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **Not Applicable**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

May 25, 2022

Date

Lorre Clapp

Printed Name

/s/ Lorre Clapp

Signature

NEF SERVICE LIST

- **Joseph M Adams** jadams@adamspham.com, adamsjr97713@notify.bestcase.com on behalf of Interested Party
- **Ryan A Baggs** rabaggs@michaelbest.com, llbergmann@michaelbest.com; courtmail@michaelbest.com on behalf of Robert Bartels, Manita Bartels and Bartels Corporation
- **Jeffrey W Broker** jbroker@brokerlaw.biz on behalf of American Business Forms Inc dba American Solutions for Business
- **Kenneth C Edstrom** kene@sapientialaw.com, kathyl@sapientialaw.com on behalf of American Business Forms Inc dba American Solutions for Business
- **Alexis Galindo** agalindo@cgsattys.com on behalf of Debtor
- **Nancy S Goldenberg** nancy.goldenberg@usdoj.gov on behalf of United States Trustee
- **Richard A Marshack (TR)** pkraus@marshackhays.com, rmarshack@iq7technology.com;ecf.alert+Marshack@titlexi.com
- **Ryan D O'Dea** rodea@shulmanbastian.com, lgauthier@shulmanbastian.com on behalf of Chapter 7 Trustee
- **Leonard M Shulman** lshulman@shulmanbastian.com on behalf of Chapter 7 Trustee
- **Jeffrey B Smith** jsmith@cgsattys.com, vphillips@cgsattys.com on behalf of Debtor
- **United States Trustee (SA)** ustpregion16.sa.ecf@usdoj.gov

U.S. MAIL SERVICE LIST

**DEBTOR (ADDRESS CHANGE
1/24/2022, DOCKET 139):**

BECK & CHASE ENTERPRISES, INC.
178 TOLLGATE TRAIL
LONGWOOD, FL 32750

NEF - UNITED STATES TRUSTEE:

UNITED STATES TRUSTEE (SA)
411 W FOURTH ST., SUITE 7160
SANTA ANA, CA 92701-4500

**NEF/RFSN ON BEHALF OF ROBERT
BARTELS, MANITA BARTELS AND
BARTELS CORPORATION
CLAIM FILED BARTELS
CORPORATION FKN THE CALVERT
COMPANY INC:**

WINTHROP GOLUBOW HOLLANDER
LLP
RICHARD H GOLUBOW ESQ
RYAN A BAGGS ESQ
1301 DOVE STREET SUITE 500
NEWPORT BEACH, CA 92660

COURT MAILING LIST:

EMPLOYMENT DEVELOPMENT DEPT.
BANKRUPTCY GROUP MIC 92E
P.O. BOX 826880
SACRAMENTO, CA 94280-0001

CLAIM FILED:

FRANCHISE TAX BOARD
STATE OF CALIFORNIA
BANKRUPTCY SECTION MS: A-340
P.O. BOX 2952
SACRAMENTO, CA 95812-2952

CLAIM FILED:

CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION
COLLECTIONS SUPPORT BUREAU
MIC:55
PO BOX 942879
SACRAMENTO, CA 94279-0055

CLAIM FILED:

AMERICAN BUSINESS FORMS, INC.
DBA AMERICAN SOLUTIONS FOR
BUSINESS
ATTN WILLIAM FINLEY
31 EAST MINNESOTA AVE
GLENWOOD, MN 56334

COURT MAILING LIST:

AMERICAN BUSINESS FORMS, INC.
DBA AMERICAN SOLUTIONS FOR
BUSINESS
ATTN WILLIAM FINLEY
POB 218
31 EAST MINNESOTA AVE
GLENWOOD, MN 56334-1625

COURT MAILING LIST:

CALVERT COMPANY, C/O ROBERT
BARTELS
2747 E. KILLINGSWORTH AVE
ORANGE, CA 92869-3224

COURT MAILING LIST:

DONNA BECK
THE CALVERT COMPANY
215 PINEDA ST., UNIT 185
LONGWOOD, FL 32750

COURT MAILING LIST:

WELLS FARGO AUTO
P.O. BOX 168048
IRVING, TX 75016-8048

1019 REPORT

CLAIM FILED:

DONNA BECK
178 TOLLGATE TRAIL
LONGWOOD, FL 32750

1019 REPORT

CLAIM FILED:

SHANNON MARIE SHORTER
517 BARBARA DRIVE
NORRISTOWN, PA 19403

COURT MAILING LIST:

MARK CHASE
1524 W SAHUARO DRIVE #D
PHOENIX, AZ 85029

COURT MAILING LIST:

COURTESY NEF
Not Applicable

COURT MAILING LIST:

BARTELS CORPORATION
Undeliverable

NEF ON BEHALF OF DEBTOR:

ALEXIS GALINDO
CURD, GALINDO & SMITH LLP
301 E. OCEAN BLVD.
SUITE 1700
LONG BEACH, CA 90802-8812
Duplicate

COURT MAILING LIST:

MARK CHASE
735 TAFT AVE
ORANGE, CA 92865-4229
Returned 1/24/2022, undeliverable;
2/23/2022, see change of address

COURT MAILING LIST:

ROBERT BARTELS
2747 E. KILLINGSWORTH AVE
ORANGE, CA 92869-3224

CLAIM FILED:

WELLS FARGO BANK N.A.
D/B/A WELLS FARGO AUTO
PO BOX 130000
RALEIGH, NC 27605-1000

1019 REPORT

CLAIM FILED:

WILLIAM THOMAS SHINKER
554 HIAWATHA PALM PLACE
APOPKA, FL 32712

1019 REPORT:

UNITED HEALTHCARE
POB 94017
PALATINE, IL 60094-4017

COURT MAILING LIST:

SANTA ANA DIVISION
411 WEST FOURTH STREET, SUITE
2030,
SANTA ANA, CA 92701-4500
Not Applicable

COURT MAILING LIST:

MANITA BARTELS
Undeliverable

COURT MAILING LIST:

AMERICAN BUSINESS FORMS
P O BOX 1415
MINNEAPOLIS, MN 55480-1415
Returned 1/24/2022, undeliverable, box
closed

DEBTOR:

BECK & CHASE ENTERPRISES, INC.
735 TAFT AVE
ORANGE, CA 92865-4229
Returned 1/31/2022, undeliverable, see
address change docket 139)

COURT MAILING LIST:

U.S. SMALL BUSINESS
ADMINISTRATION
14925 KINGSPORT ROAD
FORT WORTH, TX 76155-2243

1019 REPORT:

AT&T
WHITACRE TOWER
208 S AKARD ST
DALLAS, TX 75201

1019 REPORT

CLAIM FILED:

SHANNON MARIE TOUCHTON
2369 GRAHAM AVE
DELTONA, FL 32738

1019 REPORT:

INTERNAL REVENUE SERVICE
P.O. BOX 7346
PHILADELPHIA, PA 19101-7346

RETURNED MAIL

COURT MAILING LIST:

ROBERT BARTELS
Undeliverable

COURT MAILING LIST:

AMERICAN BUSINESS FORMS, INC.
DBA AMERICAN SOLUTIONS FOR
BUSINESS
POB 218; 31 EAST MINNESOTA AVE
GLENWOOD, MN 56334-0218
Duplicate

COURT MAILING LIST:

DONNA BECK
735 WEST TAFT AVE
ORANGE
ORANGE, CA 92865-4229
Returned 1/24/2022, undeliverable

NOTICE PURPOSES - LANDLORD:

AIC LONGWOOD LLC
ATTN PRESIDENT OR MANAGER
AGENT
C/O THE BYWATER COMPANY
105 E ROBINSON STREE, SUITE 200
ORLANDO, FL 32801
Returned 3/3/2022, undeliverable